

1.1 Vacation or Short-Term Rentals

1.1.A. Purpose

1. The purpose of this Ordinance is to establish a process, rules, and standards for the vacation rental or short-term rental of residential properties.

1.1.B. Authority and Applicability

1. Authority. This Ordinance is adopted pursuant to the authority contained in the Arizona Revised Statutes § 11-269.17 or any successor statute and shall govern the annual permitting and regulation of Vacation or Short-Term Rentals within the unincorporated areas of Coconino County.
2. Applicability. The provisions of this Ordinance shall apply to all **Vacation or Short-Term Rentals** that exist at the time of the effective date of the Ordinance and all **Vacation or Short-Term Rentals** proposed after the effective date of this Ordinance. All applicable provisions of the Coconino County Zoning Ordinance shall apply, including Firewise standards, and lighting standards.

1.1.C. Site Management Requirements

1. Special Events. No special event shall be allowed on the premise of a property registered as a Vacation or Short-Term Rental that would otherwise require a Temporary Use Permit under the County's Zoning Ordinance. Special events include but are not limited to weddings, restaurant, retail, banquet space, or other similar use.
2. Access. The access to the Vacation or Short-Term Rental shall be adequately maintained and remain clear of obstructions to ensure unimpeded passage of emergency vehicles and other traffic.
3. Prohibited Uses. Vacation or Short-Term Rentals may not be used for the purposes of housing sex offenders, operating or maintaining a sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

1.1.D. Registration and Compliance Requirements

1. The owner of a Vacation or Short-Term Rentals shall register the property annually through the Community Development Department and will receive an annual permit to operate the Vacation or Short-Term Rental.
2. The Vacation or Short-Term Rental Permit is personal to the owner and may not be transferred to another person or another property and shall not run with the land.
3. The following information shall be submitted when registering a Vacation or Short-Term Rental:
 - A. Name, address, phone number and email address for the owner or owner's agent, and
 - B. Address of the Vacation or Short-Term Rental, and
 - C. Proof of compliance with ARS § 42-5005, Transaction Privilege Tax, and
 - D. Contact information, including phone and email address, for the owner or the owner's designee who is responsible for responding to complaints or emergencies, and
 - E. Acknowledgement to comply with all applicable laws and regulations, and
 - F. An annual permit fee, and

4. The owner or owner's designee is required to notify all single-family properties adjacent to, directly and diagonally across the street from the property before offering the Vacation or Short-Term Rental for rent for the first time. Notice shall be deemed sufficient in a multi-family residential building if given to residents on the same building floor. Notification shall include the Vacation or Short-Term Rental Permit number, the address, and contact information, including phone and email address, for the owner or the owner's designee who is responsible for responding to complaints or emergencies in a timely manner. The owner or owner's designee shall demonstrate compliance with notification requirements by providing the following in writing to the County:
 - A. The address of each property notified, and the date notified.
 - B. A description of the manner in which the owner or owner's designee chose to provide notification to each property subject to notification.
 - C. The name and contact information of the owner or owner's designee attesting to compliance with the notification requirements.
5. The owner or owner's designee is required to provide additional notification in accordance with Section 1.1.D.4. of this Ordinance within ten (10) days if the contact information previously provided changes.
6. The owner of a Vacation or Short-Term Rental is required to provide the County with contact information for the owner or the owner's designee who is responsible for responding to complaints or emergencies in a timely manner in person if required by public safety personnel, over the phone or by email at any time of day before offering for rent or renting the vacation rental or short-term rental.
7. The owner of a Vacation or Short-Term Rental is required to maintain liability insurance coverage in the aggregate of at least \$500,000 for the Vacation or Short-Term Rental property.
8. The owner or owner's designee of a Vacation or Short-Term Rental is required to display the Vacation or Short-Term Rental Permit number on each advertisement for a Vacation or Short-Term Rental that the owner or owner's designee maintains.
9. Registration. Upon receipt of all information required by Section 1.1.D.3. of this Ordinance, the Community Development Department shall issue or deny the permit within seven (7) business days. Permit applications may be denied if:
 - A. The information required in Section 1.1.D.3. is incomplete, or false information is provided.
 - B. Non-payment of the annual permit fee.
 - C. A suspended Vacation or Short-Term Rental Permit for the same property exists.
 - D. The owner or owner's designee of a Vacation or Short-Term Rental is a registered sex offender or has been convicted of any felony act that results in death or serious physical injury or any felony use of a deadly weapon within the past five years.

1.1.E. Responsibility for Enforcement and Fines

1. Enforcement. The Board of Supervisors, Director of Community Development, County Attorney, County Sheriff, and all officers of Coconino County otherwise charged with the enforcement of the County Ordinances are responsible for the enforcement of the provisions of this Ordinance.

Community Development staff, at the direction of the Director of Community Development shall administer and enforce this Ordinance as provided in Section 1.1.F. of this Ordinance.

2. If a Vacation or Short-Term Rental Permit is suspended, a new permit for the same owner or owner's designee at the same location may not be issued for a period of at least one year from the date of suspension.
3. Fines.
 - A. If the owner of the Vacation or Short-Term Rental receives one or more verified violations related to the same Vacation or Short-Term Rental within the same 12-month period, the following fines shall apply. If multiple verified violations arise out of the same response to an incident at a Vacation or Short-Term Rental, those verified violations are considered one verified violation for the purpose of imposing a fine.
 - i. Up to \$500 or up to an amount equal to one night's rent for the Vacation or Short-Term Rental, whichever is greater for the first verified violation.
 - ii. Up to \$1,000 or up to an amount equal to two night's rent for the Vacation or Short-Term Rental, whichever is greater for the second verified violation.
 - iii. Up to \$3,500 or up to an amount equal to three night's rent for the Vacation or Short-Term Rental, whichever is greater for the third and any subsequent verified violation.
 - B. If the owner of a Vacation or Short-Term Rental fails to provide the county with contact information as required by Section 1.1.D.6. of this Ordinance, in addition to any other fine pursuant to this Ordinance, the County may impose a civil penalty of up to \$1,000 for every thirty days the owner fails to provide the required contact information. The County shall provide thirty (30) days' written notice to the owner before issuing a notice to appear for an Additional Civil Penalty Hearing prior to imposing an initial civil penalty of up to \$1000. The County shall provide ten (10) day's written notice to the owner before issuing a notice to appear for any subsequent Additional Civil Penalty Hearing(s) prior to imposing a subsequent civil penalty of up to \$1000 for every thirty (30) days that the owner fails to provide the required contact information.
 - C. If the owner of a Vacation or Short-Term Rental fails to apply for a Vacation or Short-Term Rental Permit or fails to apply for annual renewal of the Permit as required by this Ordinance, the owner must cease operation of the Vacation or Short-Term Rental. In addition to any other fine imposed pursuant to this Ordinance, the County may impose a civil penalty of up to \$1,000 for every thirty (30) days the owner fails to apply for, or to renew, a permit. The County shall provide thirty (30) days' written notice to the owner before issuing a notice to appear for an Additional Civil Penalty Hearing prior to imposing the initial civil penalty of up to \$1000. The County shall provide ten (10) day's written notice to the owner before issuing a notice to appear for any subsequent Additional Civil Penalty Hearing(s) prior to imposing a subsequent civil penalty of up to \$1000 for every thirty (30) days that the owner fails to apply for a Vacation or Short-Term Rental Permit or fails to apply for annual renewal of the Permit.
 - D. Fines assessed by the Hearing Officer shall not relieve the permit holder of a Vacation or Short-Term Rental of responsibility for correcting verified violation(s).
 - E. Payment of fines assessed by the Hearing Officer shall be made to the Coconino County Community Development Department.

1.1.F. Procedure for Establishing and Verifying a Violation

- 1. Procedure.** At the direction of the Director of Community Development, Department staff shall administer and enforce this Ordinance.
 - A. Staff shall:**
 - i.** Receive and investigate allegations of violations of this Ordinance.
 - ii.** Make necessary inspections to secure compliance with the provisions of this Ordinance.
 - iii.** Make investigations in connection with any matter referred to in this Ordinance and render written reports thereof when requested by the Board of Supervisors, or when the interests of Coconino County so require.
 - iv.** Issue such citations, notices, or orders as may be necessary for the purpose of enforcing compliance with the provisions of this Ordinance.
 - v.** Keep comprehensive records of all alleged violations of this Ordinance, including notes as to the condition and uses of property in connection to alleged violations of this Ordinance. Community Development staff shall further retain on file copies of all records for such times as may be required by law.
 - vi.** Community Development may accept reports and documentation from other County Departments as evidence in determining whether a permit holder is in violation of this Ordinance.
 - B.** Upon determination that a permit holder is in violation of this Ordinance, Staff may issue a citation to the permit holder. The citation shall include:
 - i.** The nature of the violation(s).
 - ii.** The section(s) of this Ordinance which has/have been violated.
 - iii.** Possible penalties that can be assessed by the Hearing Officer.
 - C.** Together with the citation, a notice to appear before the Hearing Officer shall be included. The notice shall include:
 - i.** The specific date and time at which the permit holder must appear for the Violation Hearing.
 - ii.** Information regarding the right to be represented by legal counsel and that failure to provide timely written notification electing to be represented by legal counsel constitutes a waiver of that right.
 - iii.** If Staff is unable to personally serve the citation and notice to appear to the permit holder, the citation and notice to appear may be served by any form of mail requiring a signed and returned receipt, or in the same manner prescribed for alternative methods of service by the Arizona Rules of Civil Procedure, provided that a notice by means other than personal service must be affected at least thirty (30) days before the Violation Hearing.
 - D.** Upon determination that a permit holder has been in violation of the requirement to provide the county with contact information as required by Section 1.1.D.6. of this Ordinance for at least thirty (30) days, and the Hearing Officer has found that a verified violation exists for failing to

comply with Section 1.1.D.6., staff may issue a notice to appear for an Additional Civil Penalty Hearing. The notice shall include:

- i. The specific date and time at which the permit holder must appear for the Additional Civil Penalty Hearing.
 - ii. Information regarding the right to be represented by legal counsel and that failure to provide timely written notification electing to be represented by legal counsel constitutes a waiver of that right.
 - iii. If Staff is unable to personally serve the notice to appear to the permit holder, the notice to appear may be served by any form of mail requiring a signed and returned receipt, or in the same manner prescribed for alternative methods of service by the Arizona Rules of Civil Procedure, provided that a notice by means other than personal service must be affected at least thirty (30) days before the Additional Civil Penalty Hearing.
- E. Upon determination that a permit holder has been in violation of the requirements of this Ordinance to apply for a Vacation or Short-Term Rental Permit and maintain that permit by applying for an annual renewal for at least thirty (30) days, and the Hearing Officer has found that a verified violation exists for failing to comply with the registration or renewal requirements, staff may issue a notice to appear for an Additional Civil Penalty Hearing. The notice shall include:
 - i. The specific date and time at which the permit holder must appear for the Additional Civil Penalty Hearing.
 - ii. Information regarding the right to be represented by legal counsel and that failure to provide timely written notification electing to be represented by legal counsel constitutes a waiver of that right.
 - iii. If Staff is unable to personally serve the notice to appear to the permit holder, the notice to appear may be served by any form of mail requiring a signed and returned receipt, or in the same manner prescribed for alternative methods of service by the Arizona Rules of Civil Procedure, provided that a notice by means other than personal service must be affected at least thirty (30) days before the Additional Civil Penalty Hearing.
- 2. Administrative Hearing Process. Community Development will use a Hearing Officer to establish any verified violations of this Ordinance and to assess fines in accordance with this Ordinance.
 - A. Community Development shall file a copy of the notice to appear and the citation with the Hearing Officer prior to the Violation Hearing.
 - B. The Hearing Officer may:
 - i. Continue Violation Hearings at the request of either party for good cause shown.
 - a. The Hearing Officer shall not continue a hearing without first giving notice to both parties.
 - b. The Hearing Officer Shall notify both parties in writing of the new hearing date.
 - ii. Question witnesses or representatives of either party during a Violation Hearing

- C. At a hearing to establish a verified violation, Staff must present documentary evidence, or evidence in the form of verbal testimony, establishing the existence of a violation by a preponderance of the evidence.
- D. When a permit holder submits an admission of responsibility for the violation(s) included in the citation:
 - i. The Hearing Officer shall reduce the applicable fine by \$100 dollars and issue a finding of responsibility for a verified violation of this Ordinance within thirty (30) days of receipt of the admission of responsibility.
 - ii. The Hearing Officer shall vacate the Violation Hearing.
- E. When the permit holder submits a denial of responsibility for the violation(s) included in the citation:
 - i. The permit holder must notify the Hearing Officer in writing at least ten (10) days prior to the hearing date of his or her choice to be represented by legal counsel.
 - ii. The permit holder or their legal counsel must appear at the Violation Hearing.
- F. When the permit holder fails to respond to the citation and notice to appear by the due date required to submit either an admission or denial of responsibility for the violation(s) included in the citation:
 - i. The Hearing Officer shall issue a finding of responsibility for a verified violation of this Ordinance within thirty (30) days of the due date that the owner was required to respond with either an admission or denial of responsibility.
 - ii. The Hearing Officer shall assess the applicable fine in accordance with Section 1.1.E. of this Ordinance.
 - iii. The Hearing Officer shall vacate the Violation Hearing.
- G. If the permit holder or their legal counsel fails to appear at the hearing:
 - i. The Hearing Officer shall deem the alleged violations in the citation as admitted and enter a finding of responsibility for a verified violation of this Ordinance within thirty (30) days of the hearing date.
 - ii. The Hearing Officer shall assess the applicable fine in accordance with Section 1.1.E. of this Ordinance.
 - iii. The Hearing Officer shall vacate the Violation Hearing.
- H. The County need not be represented by counsel at the Violation Hearing. Should the County elect to be represented by legal counsel, the County must provide written notification to the Hearing Officer and the permit holder at least ten (10) days prior to the Violation Hearing.
- I. No later than ten (10) days prior to the Violation Hearing, both parties shall disclose a list of witnesses and prepared exhibits to the opposing party and shall place prepared exhibits on file with the Hearing Officer.
- J. At the Hearing Officer's discretion, a failure to comply with disclosure requirements may result in a continuance of the Violation Hearing date to allow for inspection, or the Hearing Officer may deny admission of the evidence.

- K.** The order of the Violation Hearing shall be as follows:
 - i.** The Hearing Officer shall call the case and briefly describe the procedures to be followed.
 - ii.** Opening statement by the County
 - iii.** Opening statement by the permit holder or thier legal counsel
 - iv.** Testimony of the County's Witnesses
 - v.** Testimony of permit holder's Witnesses
 - vi.** Testimony of other attendees, at the discretion of the Hearing Officer
 - vii.** Closing Statement by the County
 - viii.** Closing Statement by the permit holder or thier legal counsel
- L.** Upon conclusion of the Violation Hearing, or within ten (10) days thereof, a written Decision shall be made by the Hearing Officer. The Decision of the Hearing Officer shall include the findings and judgment of the Hearing Officer, including any verified violation(s), and shall assess any applicable fine(s) in accordance with Section 1.1.E. of this Ordinance.
- M.** A finding of responsibility shall constitute a verified violation for the purposes of this ordinance.
- N.** If the County fails to appear at the time set for the Violation Hearing, the Hearing Officer shall dismiss the citation without prejudice.
- O.** The Hearing Officer may set aside a verified violation and any applicable fine entered upon a failure to appear, if it is determined by the Hearing Officer that the permit holder was not served a notice to appear, or for any other reason where necessary to prevent an injustice.
- P.** The Administrative Hearing Process outlined in this Section for Violation Hearings also applies to Additional Civil Penalty Hearings.

1.1.G. Procedure for Suspension of a Vacation or Short-Term Rental Permit

- 1.** Suspension of Permit. The Director of Community Development may initiate administrative proceedings to suspend a Vacation or Short-Term Rental Permit for up to twelve months for:
 - A.** Three verified violations within a twelve-month period, not including a verified violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health or safety.
 - B.** One verified violation that results in or constitutes any of the following:
 - i.** A felony offense committed at or in the vicinity of a Vacation or Short-Term Rental by the Vacation or Short-Term Rental owner or owner's designee.
 - ii.** A serious physical injury or wrongful death at or related to a Vacation or Short-Term Rental resulting from the knowing, intentional, or reckless conduct of the Vacation or Short-Term Rental owner or owner's designee.
 - iii.** An owner or owner's designee knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution, or operating or maintaining a sober living home at the Vacation or Short-Term Rental.

- iv. An owner or owner's designee knowingly or intentionally allowing the use of a Vacation or Short-Term Rental for a special event that would otherwise require a Temporary Use Permit for a retail, restaurant, banquet space, or other similar use.
- 2. If multiple verified violations arise out of the same response to an incident at a Vacation or Short-Term Rental, those verified violations are considered one verified violation for purposes of suspending the permit.
- 3. Commencement of proceedings to suspend a permit issued under this Ordinance shall not begin until the appeal to the Board of Supervisors has been completed or the deadline to appeal has lapsed.
- 4. A Suspension Hearing to suspend a permit shall commence and proceed in the same manner as a Violation Hearing except for the inclusion of a citation. A notice of suspension shall be mailed to the permit holder along with the notice of hearing. Upon conclusion of the Suspension Hearing, or within ten (10) days thereof, a written Decision shall be made by the Hearing Officer. The Decision of the Hearing Officer shall include the findings and judgment of the Hearing Officer, and an Order of Suspension for up to twelve (12) months if applicable.
- 5. Appeals from the suspension of a permit may be appealed in the same manner as a verified violation.
- 6. The Suspension Hearing shall be governed by the following:
 - A. The Arizona Rules of Civil Procedure and Evidence shall not apply. Admission of all evidence is subject to the discretion of the Hearing Officer for relevance.
 - B. Audio recordings of the hearing shall be made and kept on record with the Hearing Officer for a period of one (1) year.
 - C. Either party may elect to utilize a court reporter during the Suspension Hearing at their own expense. Any transcript of the Suspension Hearing shall be obtained at each party's own expense.
 - D. If the County fails to appear at the time set for the Suspension Hearing, the Hearing Officer shall dismiss the notice of suspension without prejudice.
 - E. The Hearing Officer may set aside a finding entered upon a failure to appear, if it is determined by the Hearing Officer that the permit holder was not served a notice to appear, or for any other reason where necessary to prevent an injustice.

1.1.H. Appeal Procedures

- 1. Appeals. The permit holder or the County may appeal to the Coconino County Board of Supervisors the written Decision of the Hearing Officer. A written notice of appeal shall be filed with the Hearing Officer within seven (7) business days after receipt of the Hearing Officer's written Decision. The notice of appeal shall:
 - A. Identify the finding(s) being appealed, be signed by the appellant or the appellant's counsel, and contain the names, addresses and telephone numbers of all parties and their legal counsel if applicable.
- 2. When a party appeals, the Hearing Officer shall send a copy of the notice of appeal to the other party and to the Clerk of the Board of Supervisors.

3. The appeal shall be limited to the record of the proceedings before the Hearing Officer, and no new evidence may be introduced. The record of the proceedings shall include all materials in the Hearing Officer's file, all evidence admitted at the hearing, and all findings issued by the Hearing Officer.
4. Upon receiving the notice of appeal, the Hearing Officer shall, within thirty (30) days prepare and transmit the record to the Clerk of the Board of Supervisors and provide notice of the transmittal to the parties.
5. The parties may stipulate that the appeal may be heard on less than a complete record or upon stipulated facts. The designation of the stipulated record shall be in writing, filed with the Hearing Officer and the Clerk of the Board of Supervisors within fifteen (15) days after the notice of appeal.
6. Upon sending the record to the Clerk of the Board of Supervisors, the Hearing Officer shall notify the parties that they have five (5) days from the date of the notification to submit memoranda stating their positions to the Clerk of the Board of Supervisors. The memoranda shall not exceed five (5) pages in length.
7. Public notice of the appeal before the Board of Supervisors shall be posted at least twenty-four (24) hours prior to the hearing. The Clerk of the Board of Supervisors shall mail a notice of the hearing to both parties not less than ten (10) business days prior to the hearing.
8. The Chairperson of the Board of Supervisors shall preside over the appeal and shall decide on all questions pertaining to procedure.
9. At the hearing before the Board of Supervisors, argument by the parties shall be limited to five (5) minutes for each party unless extended by the Chairperson of the Board of Supervisors.
10. After consideration of the parties' arguments, the record, and any submitted memoranda, the Board of Supervisors shall decide as to whether the Hearing Officer abused his or her discretion by a motion and majority vote of the quorum.
11. If the Board of Supervisors finds that the Hearing Officer abused his or her discretion, the Board of Supervisors may:
 - A. Increase, decrease, or modify the sanction imposed by the Hearing Officer so long as increases do not exceed the limits imposed by this Ordinance, and
 - B. Affirm the decision of the Hearing Officer; or
 - C. Affirm in part and reverse in part and remand for further proceedings; or
 - D. Reverse the decision of the Hearing Officer and remand for further proceedings; or
 - E. Vacate the decision of the Hearing Officer.

DEFINITIONS

1. "Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

2. "Vacation or Short-Term Rental":

(a) Means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium or cooperative that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under A.R.S. § 42-12001.

(b) Does not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.